

RESOLUTION NO. 08-27

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$10,000,000 CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK VARIABLE RATE DEMAND INDUSTRIAL DEVELOPMENT REVENUE BONDS (BETTS SPRING COMPANY PROJECT), SERIES 2008, TO PROVIDE FINANCIAL ASSISTANCE FOR THE DEVELOPMENT OF CERTAIN ECONOMIC DEVELOPMENT FACILITIES, PROVIDING THE TERMS AND CONDITIONS OF THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO, AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED

WHEREAS, the California Infrastructure and Economic Development Bank (the "Issuer") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 *et seq.*) (the "Act"), for the purpose of promoting economic development; and

WHEREAS, the Issuer is authorized to issue tax-exempt revenue bonds pursuant to the Act to provide financing for economic development facilities (as defined in the Act) located in the State of California; and

WHEREAS, Betts Spring Company, a California corporation, or a related or successor entity (individually and collectively, the "Borrower") has submitted an application to the Issuer for assistance in financing (1) the development of an approximately 120,000-square foot building owned by the Borrower (the "Building") situated on a parcel located at 2843 S. Maple Avenue, Fresno, California (the "Project Site"), leased by the Borrower from WMB IV-V, LLC, an entity in which the Borrower holds a controlling interest, and (2) the acquisition of associated fixtures, furniture, equipment, and other tangible personal property, collectively referred to hereinafter as the "Project"; and

WHEREAS, the Borrower has represented that it intends to use the Project to manufacture springs and related products for automotive, industrial and other applications, which operation of the Project is consistent with the definition of an economic development facility in the Act; and

WHEREAS, for purposes of financing a portion of the cost of the Project, including the payment of certain costs of issuance in connection with the Bonds (as defined herein) the Issuer now desires to (a) authorize the issuance of its Variable Rate Demand Industrial Development Revenue Bonds (Betts Spring Company Project), Series 2008, in an aggregate principal amount not to exceed \$10,000,000 (the "Bonds"), (b) provide for the sale of the Bonds, (c) provide for the loan of proceeds of the sale of the Bonds (except for any amount representing accrued interest on the Bonds) to the Borrower to finance a portion of the cost of the Project; (d) provide for the payment of the principal of, premium, if any, and interest on the Bonds with revenues

derived from the loan of proceeds of the sale of the Bonds (except for any amount representing accrued interest on the Bonds) to the Borrower; and (e) take and authorize certain other actions in connection with the foregoing; and

WHEREAS, the Issuer may not issue the Bonds to assist in financing the cost of the Project or any portion thereof until the Board of Directors of the Issuer makes certain determinations relating to the Project as required by the Act; and

WHEREAS, there is now on file with the Secretary of the Issuer the following:

(a) a proposed form of the Loan Agreement (the "Loan Agreement"), to be entered into by and between the Issuer and the Borrower, providing for the loan of proceeds of the sale of the bonds (except for any amount representing accrued interest on the Bonds) to the Borrower to finance a portion of the cost of the Project;

(b) a proposed form of the Indenture of Trust (the "Indenture"), to be entered into between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), providing for the authorization and issuance of the Bonds to be dated the date of delivery thereof;

(c) a proposed form of the Bonds Purchase Agreement (the "Purchase Contract"), to be entered into by and among the Issuer, the Treasurer of the State of California and Banc of America Securities LLC (or a related entity), as underwriter (the "Underwriter"), and approved by the Borrower; and

(d) a proposed form of the Official Statement (the "Official Statement") to be used by the Underwriter in connection with the sale of the Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank, as follows:

Section 1. The Issuer authorizes and approves the loan of the proceeds of the Bonds (except any amount representing accrued interest on the Bonds) to the Borrower in order to finance a portion of the cost of the Project (including the payment of certain costs of issuance in connection with the Bonds) pursuant to the terms and provisions of the Loan Agreement as authorized in this Resolution. The form of the Loan Agreement on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer, the Chair's designee, or the Executive Director of the Issuer,, each acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Secretary of the Issuer is authorized to attest to the Issuer's execution of the Loan Agreement.

Section 2. The form of the Indenture on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer, the Chair's designee, or the Executive Director of the Issuer,, each acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver to the Trustee the Indenture, with such changes and insertions

therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Secretary of the Issuer is authorized to attest to the Issuer's execution of the Indenture.

Section 3. The form of the Purchase Contract on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer, the Chair's designee, or the Executive Director of the Issuer, each acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Purchase Contract, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof.

Section 4. The form of the Official Statement on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer, the Chair's designee, or the Executive Director of the Issuer, each acting alone, is hereby authorized and empowered to execute the Official Statement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Underwriter is hereby authorized to distribute copies of the Official Statement, as so executed, in connection with the sale of the Bonds.

Section 5. The Issuer approves the issuance of not to exceed \$10,000,000 aggregate principal amount of the Bonds for the purpose of financing a portion of the cost of the Project (including the payment of certain costs of issuance in connection with the Bonds) in accordance with the terms of and to be secured by the Indenture. Payment of the principal of, premium, if any, and the interest on, the Bonds shall be made solely from the revenues to be received by the Issuer pursuant to the Loan Agreement and the Indenture, and said Bonds shall not be deemed to constitute a debt or liability of the Issuer (except to the limited extent provided in the Indenture) or the State of California. The Chair of the Issuer, the Chair's designee, or the Executive Director of the Issuer, each acting alone, is hereby authorized and directed to execute the Bonds, in the name and on behalf of the Issuer, by manual or facsimile signature, in an aggregate principal amount not to exceed \$10,000,000, in accordance with the Indenture and in the form set forth in the Indenture. Notwithstanding Section 63074(d) of the Act, the Bonds may be sold at any time on or before 180 days after the date of the adoption of this Resolution, if that date is consistent with the term of the tax-exempt bond allocation issued for the Bonds. The Bonds shall mature not later than thirty (30) years following the original issuance date and shall bear interest at the rates to be determined in accordance with the Indenture.

Section 6. The Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate and register the Bonds so delivered by executing the appropriate Certificate of Authentication and Registration appearing thereon, and to deliver the Bonds, when duly executed, authenticated and registered, to the Underwriter in accordance with written instructions executed on behalf of the Issuer by the Chair of the Issuer, the Chair's designee, or the Executive Director of the Issuer, which instructions said officer is hereby authorized and directed, for and in the name of and on

behalf of the Issuer, to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Underwriter upon payment of the purchase price therefor.

Section 7. Pursuant to Sections 63046 and 63047 of the Act, and based upon representations made by the Borrower, the Board of Directors of the Issuer hereby finds and determines:

- (a) that the Project is located in the State of California;
- (b) that the Borrower is capable of meeting its obligations incurred under the Loan Agreement and specifically in relation to the Borrower's payment obligations thereunder because the Borrower is hereby required to provide an irrevocable, direct-pay letter of credit that will support a rating on the Bonds of at least "A3" from Moody's Investors Service, or "A-" from Standard & Poor's or Fitch Ratings, Inc.;
- (c) that the payments the Borrower is required to make to the Issuer under the Loan Agreement are adequate to pay current expenses of the Issuer in connection with the issuance and payments on the Bonds;
- (d) that the issuance of the Bonds is an appropriate financing mechanism for the Project; and
- (e) that the Project is consistent with any existing local or regional comprehensive plans.

Section 8. Based on the information provided and representations made by the Borrower, the Board of Directors of the Issuer hereby finds and determines that the Project demonstrates an economic benefit to the community in which it is located.

Section 9. The Chair of the Issuer, the Chair's designee, or the Executive Director of the Issuer, each acting alone, is hereby authorized to execute all documents, certificates and instruments necessary or appropriate to this transaction and the issuance of the Bonds.

Section 10. All actions heretofore taken by the officers and agents of the Issuer with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed and ratified, and the officers of the Issuer and their authorized designees, deputies, agents and counsel are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and documents which they or bond counsel or special tax counsel may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution, including without limitation a tax certificate concerning the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 11. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on October 28, 2008, by the following vote:

AYES: Bonner, Marin, Sheehy, Carroll, Rice

NOES: None

ABSENT: None

ABSTAIN: None

By Stanton C. Hazelroth
Stanton C. Hazelroth, Executive Director

Attest:

By Roma Cristia-Plant
Roma Cristia-Plant, Secretary